

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the matter of	)	
	)	
Implementation of the Pay Phone	)	
Reclassification and Compensation	)	CC Docket No. 96-128
Provisions of the	)	
Telecommunications Act of 1996	)	
	)	
RBOC/GTE/SNET Payphone Coalition	)	NSD File No. L-99-34
Petition for Reconsideration	)	

**CenturyTel Long Distance Comments to Petitions for  
Reconsideration And Clarification**

CenturyTel Long Distance ("CenturyTel"), pursuant to the Federal Communications Commission's ("Commission") public notice released on August 20, 2001,<sup>1</sup> respectfully submits its comments opposing, in part, and supporting, in part, the petitions for clarification and reconsideration filed by several parties in the above-captioned proceeding. CenturyTel opposes any request to redefine a payphone call that would result in a requirement that compensation be paid to Payphone Service Providers ("PSPs") for calls that are *not* completed. CenturyTel supports requests to reconsider the burdensome reporting requirement imposed by the Commission's new rules.<sup>2</sup>

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<sup>1</sup> *Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-128, NSD File No. L-99-34 (rel. August 20, 2001).

<sup>2</sup> *Implementation of the Payphone Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-128, NSD File No. L-99-34, Second Order on Reconsideration, FCC 91-109 (rel. April 5, 2001) ("Second Order on Reconsideration").

**I. Compensation Should Be Paid for Completed Calls Only, Regardless of Whether the Service is Provided by a First Switch-based Carrier or a Switch-based Reseller**

Section 276 of the Act and the Commission rules promulgated thereunder, clearly require that compensation be paid to PSPs for completed payphone calls. At issue is whether the new payphone calculation and compensation rules require compensation to PSPs for calls that are not completed. Compensation for incompleting calls would financially cripple switch-based resellers providing services that may be used from payphones. Moreover, compensation for incompleting calls would also result in a financial windfall to first switch-based carriers, to the competitive disadvantage of switch-based resellers.

The method advocated by AT&T Corp. ("AT&T") and WorldCom, Inc. ("WorldCom") for calculating compensable payphone calls under the new Commission payphone rules should be rejected by the Commission. The basis of AT&T's and WorldCom's concern rests with their alleged inability to determine the actual completion status of a call that is routed to a switch-based reseller. Their ensuing arguments to support this position is that the costs to develop an accurate methodology is greater than the costs to the switch-based resellers. Their argument is an easy one for them to make since the costs will be borne by the switch-based resellers, not AT&T or Worldcom.

Both AT&T and Worldcom ignore that thirty (30) percent or more of domestic, long distance calls are not completed for various reasons including, but not limited to, no answer, network blockage, network failures, and wrong number dialed. This large percentage of incomplete calls represents a serious cost factor

for switch-based resellers. Moreover, customers do not pay for incomplete calls, therefore, companies have no end user from whom to recoup the costs of the incompleting call or the payphone compensation. To further exacerbate the financial drain on a switch-based reseller, the switch-based reseller also would be required to pay the added “administrative” cost for each of these incompleting calls.

The discriminatory affect of AT&T and Worldcom’s proposals are clear. While WorldCom appears to seek to have the Commission adopt one definition of what constitutes a compensable payphone call for all carriers, in reality, Worldcom is advocating two definitions in its proposal. One definition is for those calls that Worldcom completes for itself and the second definition is for those calls that Worldcom completes for switch-based resellers. In other words, Worldcom will very likely continue to only compensate PSPs for *completed* Worldcom payphone calls; however, Worldcom will compensate PSPs for all switch-based reseller calls (attempted, incomplete and completed), the cost of which will be passed along to the switch-based resellers, Worldcom’s competitors. The distinction is one that WorldCom would have the Commission believe to be incidental and inconsequential, except for the later assertion that “...declaring calls that are *handed off to SBR customers* as being completed will reduce uncertainty and costs for all parties”. Worldcom Petition at 4. Thus, Worldcom will discern and detect for itself the actual completed payphone calls, thereby, avoiding the extraordinary costs associated with incompleting calls; in

the meantime, Worldcom will impose such extraordinary costs on all calls it passes off to switch-based resellers, its competitors.

WorldCom does not claim that all calls handed off to switch-based resellers are completed, but advocates such a position. WorldCom fails to make the Commission aware of the level of incompleting calls (30% or more is the industry average). This “oversight” results in a corresponding 30% or more cost increase to the switch-based resellers. While WorldCom believes that the incompleting call factor will “...reduce uncertainty and costs...”, it fails to divulge that it has the technical capability to determine call completion for its own traffic and does not face such “uncertainty” and associated costs.

Likewise, AT&T contends that it “...typically calculates its payphone compensation payments on the (knowingly incorrect) assumption that all calls that complete to the reseller’s platform are completed to the called party and thus are compensable.” AT&T Petition at 3. According to AT&T, they arrange separately for reimbursement with the reseller, but do not identify how that is accomplished. It is unlikely that they adjust the “reimbursement” for incomplete calls to the switch-based reseller. Hence, it is apparent that AT&T passes the extra costs to the switch-based reseller, as does WorldCom.

While AT&T acknowledges that its process is “...clearly favorable to PSPs...”, AT&T fails to point out that this is at the expense of the switch-based resellers. AT&T Petition at 3.

The only correct basis for compensating the PSPs is for completed calls. This approach should apply to switch-based resellers as it is applied to other interexchange carriers. Switch-based resellers should not be discriminated against nor carry the financial burden of an imperfect process. The solution, while not simple, is straightforward. The utilization of a payphone compensation clearinghouse can effectively address the Commission's requirements. It is also important to note that there are several existing clearinghouses that provide this type service, such as CenturyTel's vendor, National Payphone Clearinghouse (a subsidiary of Cincinnati Bell Telephone Company).

- 1) The first switch-based carrier can continue to compensate the PSPs based on directly terminated and completed calls. They should not require the use of a clearinghouse for those calls. Reporting requirements should remain as identified in the Commission's First Order.
- 2) For calls that are delivered by a first switch-based carrier to a switch-based reseller, all such call records should be delivered to the negotiated clearinghouse. Note that the clearinghouse designation is a jointly agreed party by both the first switch-based carrier and the switch-based reseller.
- 3) The switch-based reseller will provide call records for completed calls to the designated clearinghouse. **Completed calls are those for which the switch-based reseller can or has billed the end user as**

**a result of an industry-recognized answer supervision completion.**

- 4) The clearinghouse will establish working agreements with all PSPs identified by the first switch-based carrier and/or switch-based reseller.
- 5) The PSPs will be responsible for the identification of the line/number (Automatic Number Identification or ANI) of their payphones as well as delivering FLEX ANI for compensable calls.
- 6) The clearinghouse will compare the call records from the first switch-based carrier and the switch-based reseller and eliminate the incomplected calls.
- 7) The clearinghouse will be responsible for the provision of reports to the PSPs and switch-based resellers for the purpose of compensation. The switch-based reseller will directly compensate the clearinghouse and the clearinghouse will be responsible for the distribution of compensation to the PSP for completed calls. The clearinghouse could also serve as report source to provide compliance data for the Commission.

Thus, the utilization of a mutually agreed clearinghouse will satisfy the Commission's requirements, provide for PSP compensation on actual completed calls, and facilitate the proper reporting of compensable calls.

## **II. Reporting Requirements Should Not Be Administratively**

### **Burdensome**

CenturyTel supports Global Crossing Telecommunications, Inc. ("Global Crossing") and other Parties that advocate eliminating or reducing the new reporting requirements. CenturyTel further supports AT&T's position that the industry was not provided sufficient notice or opportunity to comment on these new requirements and, therefore, the new reporting requirements are "inconsistent with the Administrative Procedures Act" (AT&T Petition at 4-7).

While both AT&T's and WorldCom's proposals have significant flaws with regard to payment for incompleting calls, both have correctly conveyed and petitioned the Commission for reconsideration of the burdensome reporting requirements imposed by the new rules. These requirements will create a significant problem with reporting and compensation, as well as, timing issues, delayed call detail and identification of the PSPs' line/number detail.

The reporting requirements for all parties (first switch-based carriers and switch-based resellers) should be limited to the identification of the PSP's identified payphone terminals/stations, corresponding volumes and timeframes for which compensation is paid. The direct termination of calls by the first switch-based carriers that complete their own calls will provide sufficient data for the PSP to verify the accuracy of those carrier's compensable calls. The utilization of a clearinghouse, which acts as a third party, should verify the compensable calls of switch-based resellers. To impose additional requirements beyond those contained in the First Order would be burdensome and unnecessary.

CenturyTel Long Distance respectfully requests that the Commission eliminate the new reporting requirements and properly initiate a rulemaking on this issue.

### **III Conclusion**

CenturyTel respectfully requests that the Commission reject any request to redefine a payphone call that requires compensation to Payphone Service Providers to include calls that are *not* completed and further request that the Commission reconsider the burdensome reporting requirement imposed by the Commission's new rules

Respectfully submitted,

                  /s/                    
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